



Beautiful accounting software

XERO LIMITED (XRO) MARKET RELEASE

11 December 2014

Xero Surpasses 400,000 Customers

- Millions of small businesses now connect in the Cloud on Xero
 - Processed over NZ\$250 Billion in transactions in 2014
 - Over 400 customer facing updates in 2014
- Emerges as crucial growth platform for small businesses

Xero Limited (XRO) now has over 400,000 small business customers operating on its cloud platform - a key milestone as it heads into key selling seasons in the UK, New Zealand and the US. In 2014 the company processed NZ\$250 billion of transactions and 95 million invoices, connecting millions of businesses, advisors, suppliers and customers worldwide.

Rod Drury, CEO said “support from both customers and partners is both humbling and exciting. Together we’ve established Xero as one of the leading platforms on which they connect, collaborate and conduct their business. Through a constant innovation cycle we are fulfilling our potential as a small business growth engine, bringing together crucial capabilities in accounting, payroll and payments with insights and the business specific applications small businesses need from our hundreds of partners worldwide.”

The Company is utilising more than half a petabyte of data collected to report business performance at scale and deliver insights to help improve the growth of small businesses, providing a real time data set to discover the real power of the small business economy and trends such as growing self and part-time employment.

“We are thrilled to be playing a role in igniting the small business economy. Our customers are adding employees and growing revenue and margins by having clear visibility of their numbers and easy access to advisors,” said Drury. “At the same time, the vibrant ecosystem around Xero - including the growing advisor channel - is creating jobs worldwide.”

Xero is continuously improving with over 400 customer facing releases deployed during 2014. Most of these releases, often unnoticed by customers, span small business tasks ranging from payroll through beautiful business reporting. In the next week, Xero will unveil a new business dashboard to help

small businesses have better visibility of their cash flow as Xero begins its delivery of 'Big Data for Small Business' in early 2015. Xero grew its team by 70% to over 1000 in 2014, building capability for further innovation in 2015.

"Our momentum is not only a clear vote for platforms born and bred in the Cloud, but also for those optimised for mobile devices," said Drury. In the past 12 months, over 145,000 small businesses have downloaded Xero Touch enabling them to pay, invoice and manage cash flow anyplace, anytime.

"Today, New Zealand and Australia's most loved accounting platform has achieved a similar position in the UK and is back on track in the US" said Drury. The small business cloud market is still in its infancy: of the addressable market of hundreds of millions of small businesses, only a small percentage currently use cloud financial software.

Throughout 2014, Xero has invested significantly in its platform which is becoming critical infrastructure in its core markets. The company now manages 500 servers across redundant data centres managing approximately 500TB of production data while maintaining best-in-class uptime of 99.99%. "We have our sights set on not just leading in building our Cloud infrastructure, but also putting the innovations and investments from the global Cloud providers like Microsoft, Google and Amazon to work for small businesses," said Drury.

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About Xero

[Xero](#) is beautiful, easy to use online [accounting software](#) for small businesses and their advisors. The Company has over 400,000 paying customers in more than 180 countries around the world. Xero is listed on the NZX and ASX. See www.xero.com